

Risk Management Policy

This Policy was approved on 16th May 2019.

Objectives of this policy

This Risk Management Policy sets out the Company's framework for the identification, control and review of risk.

Risk management responsibilities and limitations

The Board holds ultimate responsibility for the Company's risk management. The Board has established an Audit & Risk Committee which is charged with the specific responsibility for developing, reviewing and making recommendations to the Board as to the Company's risk management framework.

Company executives and service providers are responsible for ensuring that they act in accordance with the Company's Risk Management Policy.

While the Company makes every effort to appropriately control risk, this Policy recognises that no cost effective internal control system can preclude all errors and irregularities.

The Audit & Risk Committee's structure and role in risk management

The Audit & Risk Committee structure embraces the following elements:

- The Committee has a formal Charter which explicitly charges the Committee with the responsibility for addressing and making recommendations to the Board on Risk Management;
- The Committee has an independent Chairman, who is not the Chairman of the Board and membership is made up entirely of non-executive directors;
- The qualifications of the Audit & Risk Committee members must in aggregate contain satisfactory levels of financial, accounting, tax and compliance skill and experience.

The role of the Committee with regard to the Risk Management Framework is:

- (a) To assess risk and develop a control framework that appropriately manages the Company's risk, including but not limited to:
 - (i) Administrative Risk
 - (ii) Investment Risk
 - (iii) Taxation Risk
 - (iv) Economic, Environmental and Social Sustainability Risk;
- (b) To monitor the risk control framework to ensure it is operating satisfactorily;
- (c) To review the sufficiency of the risk management framework at least annually
- (d) To investigate possible or actual breaches of controls and to determine appropriate actions to address any such breach;
- (e) To ensure that the Company has appropriate insurance coverage in place
- (f) To make recommendations to the Board on the above matters

Within its Charter, the Audit & Risk Committee also has responsibility for elements of risk control implementation, being:

- (i) the review and assessment of the content, accuracy and adequacy of the Company's reporting;
- (ii) the appointment, conduct, effectiveness, adequacy and independence of the external audit.

The Risk Management Framework

The Risk Management Framework shall:

- (a) Be encapsulated in a formal document that is prepared, reviewed and updated at least annually
- (b) Determine and outline the Company's risk appetite
- (c) Identify and assess the material risks to which the Company is exposed, including but not limited to Administrative Risk, Investment Risk, Taxation Risk and Economic, Environmental, and Social Sustainability Risk
- (d) Determine the controls that enable those risks to be adequately controlled
- (e) Document the roles and responsibilities of personnel with regard to the implementation of internal controls
- (f) Document the situations, items and materiality levels for items to be reported, investigated, acted upon and escalated
- (g) Require a schedule to be maintained which allows for the periodic and regular review of specific risk areas in detail
- (h) Require a regular schedule to be maintained which allows for financial reporting on key risk areas to the Board or its Committees to enable the regular monitoring of risk. The process of regular reporting should include a risk register
- (i) Require the adequate retention of records to enable all reporting and regulatory submissions to be satisfactorily prepared
- (j) Incorporate processes for maintaining familiarity with changes to the external environment that may have an influence on risk (such as changes to regulation and taxation)
- (k) Require adequate affirmations from senior executives and service providers
- (l) Require adequate audit to be undertaken to obtain sufficient confidence in controls and financial information
- (m) Allow for internal controls to be tested on a regular basis, outcomes reported to the Board or its Committees, and a process of follow-up to be implemented
- (n) Be reviewed and endorsed by executive management as well as by the Board or its Committees